

STAFFORD COUNTY SCHOOL BOARD

Agenda Consideration

TOPIC: FY 2005 Year-End Financial Review

ITEM NO.: 13B

PREPARED BY: H. Charles Woodruff, II
Assistant Superintendent
of Financial Services

Patty Sullivan, Director
of Budget and Grants

MEETING: October 25, 2005
MEETING: November 15, 2005
MEETING: December 13, 2005
ACTION DATE: December 13, 2005

ACTION REQUESTED BY THE SUPERINTENDENT: That the School Board approve the FY 2005 Year-End Financial Review and finalize the distribution of the carryover funds.

KEY POINTS:

(see pages 3-4 for further explanation)

School Operating Fund

- The net expenditures balance for FY 2005 includes funds to appropriate 1% of budget to emergency contingencies and \$871,347 for capital purchases' commitments.
- Additional projected expenditure savings result in \$5,740,530 in available funds to carry forward to FY 2006. The proposed uses of the school operating available funds of \$3,917,530 includes a variety of capital outlay and school startup expenditures and \$1,823,000 for staff recommended priorities which includes \$1,200,000 for an energy contingency line.
- Other appropriation requests included: \$3,546,316 for the balance of technology and buses lease/purchases; and, \$2,099,263 for the lease/purchase of buses for FY 2006. These appropriations will properly book the entire purchase of technology replacements and buses under a lease/purchase agreement, as required by the County auditors, to properly account for the expenditure and offsetting revenue.
- A \$7,359,543 request for FY 2005 purchase orders to be reappropriated to FY 2006 is included.

Reappropriated Purchase Orders

On November 29th, the Board of Supervisors appropriated to FY 2006 the purchase orders that were outstanding at June 30, 2005:

• School Operating Fund	\$ 7,359,543
• School Nutrition Services Fund	\$ 96,188
• School Construction Fund	\$ 20,647,534
• Fleet Services Fund	\$ 49,663
• Total School Funds	\$ 28,152,928

SCHOOL BOARD GOAL 4: Address the impact of continuing population growth by developing plans to address expanding staff, facilities, transportation, attendance zones, and instruction.

SCHOOL BOARD GOAL 8: Provide School Board leadership in advocating for adequate funding in support of Stafford County Public Schools.

FUNDING SOURCE: Existing allocations (does not require additional local funds).

AUTHORIZATION REFERENCE: Local Principles of Financial Management

Stafford County Public Schools FY 2005 Year-End Balances and Uses of Funds

Approved School Operating Budget	\$ 210,944,512	
FY 2005 Expenditures	(\$189,320,579)	
Reappropriated Purchase Orders to FY 2006	(\$ 7,359,543)	(1)
Revenues Balance	(\$ 5,459,837)	(2)
Emergency Contingency (1% of FY06)	(\$ 2,192,676)	(3)
Previously Approved Incomplete Projects	(\$ 871,347)	(4)
Available Funds	\$ 5,740,530	
School Board Priorities	(\$ 3,917,530)	(5)
Staff Recommended Priorities	(\$ 1,823,000)	(6)
Remaining Funds	<u><u>\$ 0</u></u>	

\$ 28,152,928

(1) Reappropriated Purchase Orders – Total All

• School Operating Fund:	
~ Instruction	\$ 6,198,552
~ Administration, Attendance, and Health	\$ 100,523
~ Operation and Maintenance	\$ 987,330
~ Facilities	<u>\$ 73,138</u>
School Operating Fund Total	\$ 7,359,543
• School Nutrition Services Fund	\$ 96,188
• School Construction Fund	\$ 20,647,534
• Fleet Services Fund	\$ 49,663

(2) Revenue Deficit:

The revenue deficit balance includes lease/purchase proceeds for buses and technology replacements in the amount of \$3,546,316 that were anticipated but not received in FY 2005 and \$1,834,606 in grant contingency funds not used in FY 2005. Grant contingencies are not carried forward to the next fiscal year thus the actual revenue deficit is \$78,915.

Note: On November 29th the Board of Supervisors reappropriated \$3,546,316 to the FY 2006 School Operating Fund for lease/ purchase financing proceeds for FY 2005 buses and technology replacements.

(3) Emergency Contingency Account:

Emergency contingency funds are not anticipated in original budget figures, but are carried forward from the previous fiscal year. The emergency contingency funding for FY 2006 at 1% of approved school operating budget is \$2,192,676.

Note: On November 29th the Board of Supervisors appropriated \$2,192,676 in emergency contingency funds to the FY 2006 School Operating Fund.

(4) Previously Approved Incomplete Projects from FY 2005:

• Bleacher Repairs	\$	165,000
• Partitions – RES	\$	61,000
• Press Boxes BPHS & CFHS	\$	61,000
• Water Supply – HES	\$	80,000
• Bandy Sign	\$	60,000
• Human Resources Winocular System	\$	46,786
• Startup Costs for CES & MVHS	\$	316,045
• Grants & Donations' Balances	\$	81,516
• Total	\$	<u>871,347</u>

Note: On November 29th the Board of Supervisors appropriated \$871,347 to the FY 2006 School Operating Fund for FY 2005 Incomplete Projects.

(5) School Board Priorities (to be determined)..... \$ 3,917,530

(6) Staff Recommended Priorities:

- Compensation Study \$ 38,000
This study will assist staff in making recommendations regarding employee compensation in comparison to other markets for FY 2007 and future years. The cost reflects using the same company that recently completed the County's compensation study.
- Anticipated Fuel/Utilities Increases \$ 1,200,000
As of this date, fuel prices remain unstable and have more than doubled since this time a year ago. Original budget projections for diesel fuel were based on a cost of \$1.41 per gallon; as of October 3 the price per gallon was \$3.03. The anticipated increase includes \$750,000 for vehicle fuel and \$450,000 for utilities'.
- Planning - Vehicles for new positions (EM & FAE) \$ 30,000
These vehicles for the Energy Manager and Facilities Assessment Engineer positions are required so these staff members can visit school facilities on a daily basis and have the capability to transport multiple team members.
- Hot Water Heater Replacements (BPHS & NSHS) \$ 250,000
These hot water heaters are original equipment in Brooke Point High School and North Stafford High School designed for domestic use. Staff has previously repaired these units and they are now considered beyond economic repair.
- Maintenance – Replacement Dump Truck \$ 55,000
Vehicle is required to support existing fleet for snow removal, sanding parking lots, and delivering materials such as mulch, etc.

(6) Staff Recommended Priorities (continued):

- Instruction - Remedial Classrooms (2) \$ 250,000
To provide mobile classrooms to take remedial education staff members to the locations requiring these services and provide the space needed without disrupting regular classroom routines.
- Total \$ 1,823,000

FY 2006 School Operating Fund ~ Previously Cut Budget Items Reinstatement Priority Order

First Priority Reinstatement

- | | | |
|------------|--|--------------------|
| 1) | Materials, Supplies, Purchased Services, Conferences and Travel | \$3,200,000 |
| | <p>Requires reductions divisionwide for materials and supplies including uniforms, maps and globes, training materials, parts and repair items, small tools, computer peripherals, and office supplies. Purchased services' cuts would reduce training, repair and maintenance, evaluation, etc. Reductions to travel and conference monies curtail professional development from outside sources.</p> | |

Second Priority Reinstatement

- | | | |
|------------|--|--------------------|
| 1) | Technology Replacements | \$1,604,000 |
| | <p>The school division's Cyclical Technology Replacement Plan calls for an investment of \$2.6 million a year to provide the necessary divisionwide technology replacements. Five million dollars was borrowed in FY 2005 to provide funds to replace the outdated equipment in the system. The \$1.6 million in cyclical funding is to provide the necessary replacements to keep the system updated continually.</p> <p>By cutting this funding, the system will again fall behind in the technology replacement cycle which will mean another influx of borrowed funds would be needed to "catch up" again in the future.</p> | |

Third Priority Reinstatements

- | | | |
|-------------|---|------------------|
| 3A) | National Defense Cadet Corps (JROTC) | \$217,797 |
| | <p>This program is fully funded by the schools that choose to pursue a JROTC unit without financial assistance from the Army. The school division incurs all costs to include instructor salaries, uniforms, and daily operational expenses. The projected cost covers 150 cadets.</p> | |
| 3B) | FTE Reserve Positions | \$400,000 |
| | <p>This contingency funding is included to ensure teacher and paraprofessional positions for unusual classroom situations, i.e. special education requirements, state and federal mandated requirements, etc. This funding would allow the immediate hiring of personnel to cover these situations rather than having to bring position requests forward through the normal School Board process.</p> | |
| 3C) | Assistant Superintendent of Instructional Leadership | \$148,460 |
| | <p>This position is included in the efficiency study because it is impossible to run a growing school division with the same number of administrative positions year-after-year. According to the study, Stafford Schools spend the least amount of funds on administrative positions out of all those in their peer group – a fact that reflects well on those that hold the positions, but creates increasing workloads that get harder each day to maintain.</p> | |
| 3D) | Administrative Assistant | \$42,083 |
| | <p>Administrative Assistant to the Assistant Superintendent position above.</p> | |

FY 2006 School Operating Fund ~ Previously Cut Budget Items Reinstatement Priority Order

3E) Facility As-Built (Blue Line) Scanning and Inventory	\$50,000
<p>Funds are required to initiate an effort to inventory SCPS existing facility and project as-built (blue line) drawings, scan drawings and establish an electronic file repository to enhance the hard copy drawings. This effort will include inventorying all drawings located within the Planning and Construction Department, Maintenance Department and SCPS Facilities. This will be a multi-phased/multi-year project.</p> <p>If funding is not provided, SCPS will continue to operate with an antiquated construction drawing filing system that promotes inefficiency. Original drawings are more apt to be lost, misplaced and stolen. Having an electronic filing system will enhance our drawing security, enhance drawings availability to the staff and our customers and improve the ability for staff to provide more accurate information on a more timely basis. Cost to inventory and scan will be based on the number of original sheets.</p>	
3F) Career and Technology Education Coordinator	\$86,912
<p>To provide coordination of the instructional program for Business and Information Technology in grades 6-12. The business program has the largest enrollment and with the projected new high schools and middle schools, the program will continue to grow.</p>	
3G) Phase-In Speech Therapists to Therapists' Salary Scale	\$150,000
<p>To provide salaries for speech therapists based on the competitive market. These positions are increasingly difficult to fill due to the less than competitive salary offered by the school division.</p>	
3H) Tuition Reimbursement - PACE	\$100,000
<p>Provides mandated services to special education students who require an alternative day placement which is not funded through CPMT (i.e., Prince William PACE Program). (Anticipates a reduction in participants.)</p>	
Total Cuts to Be Reinstated as Funding Permits	\$5,999,252

Stafford County Public Schools
FY 2005 School Operating Budget Uses of Year End Carryover
Startup and Capital Purchase Items

Startup Costs for MVHS, CES, MS 2006, & ES 2006	\$	2,220,350	<i>Budgeted</i>
New & Replacement Vehicles	\$	82,752	<i>Budgeted</i>
Resurface Track/Repair/Paint (SHS, CFHS, & NSHS)	\$	80,000	<i>Budgeted</i>
Girls' Softball Pressbox (CFHS)	\$	20,000	<i>Budgeted</i>
Flashing Light (WCE)	\$	3,000	<i>Budgeted</i>
Playground Drainage (PRE)	\$	25,000	<i>Budgeted</i>
Drainage (NSHS)	\$	25,000	<i>Budgeted</i>
Light Pole Removal (FFE)	\$	3,000	<i>Budgeted</i>
Elevator Upgrade (SHS)	\$	60,000	<i>Budgeted</i>
Compressor Relocation - Freezer (GVE)	\$	7,000	<i>Budgeted</i>
Water Treatment System Upgrade (HES)	\$	45,000	<i>Budgeted</i>
Dust Collector Replacement (DMS)	\$	5,000	<i>Budgeted</i>
Humidity Sensor Installation (FES)	\$	15,000	<i>Budgeted</i>
Culinary Lab Renovation (BPHS)	\$	10,000	<i>Budgeted</i>
Door Swipe Installation (RRE,WCE,WES,FES,RES,GVE, & HOE)	\$	35,000	<i>Budgeted</i>
White Board Installations (Elementary Schools)	\$	40,000	<i>Budgeted</i>
Sink/Cabinet Replacement (FFE)	\$	10,000	<i>Budgeted</i>
Handwash Unit Replacement (WES)	\$	15,000	<i>Budgeted</i>
Drain Repair (WES)	\$	20,000	<i>Budgeted</i>
Turning Point Classroom Conversion (GMC)	\$	25,000	<i>Budgeted</i>
Library Enclosures (RES,PRE, & WES)	\$	45,000	<i>Budgeted</i>
Bus-FM Mobile Radios	\$	23,520	<i>Budgeted</i>
Bus-Video Recording Systems	\$	34,000	<i>Budgeted</i>
Budgeted Subtotal	\$	2,848,622	
Divisionwide - Compensation Study	\$	38,000	<i>New</i>
Anticipated Fuel/Utilities Increases	\$	1,200,000	<i>New</i>
Planning - Vehicles for new positions (EM & FAE)	\$	30,000	<i>New</i>
Hot Water Replacements (BPHS & SHS)	\$	250,000	<i>New</i>
Maintenance - Replacement Dump truck	\$	55,000	<i>New</i>
Instruction - Remedial Classrooms (2)	\$	250,000	<i>New</i>
Schools-Sites - Studio Pianos - AGW, FFE, & GVE	\$	11,808	<i>New</i>
Computer Replacements	\$	767,600	<i>New</i>
Lockers (Replacements) AGW	\$	90,000	<i>New</i>
Board Docs	\$	199,500	<i>New</i>
FY 2005 Funds Available for FY 2006	\$	<u>5,740,530</u>	

Stafford County Public Schools
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FY 2005 Funds Available for FY 2006 \$ 5,740,530

Stafford County Public Schools
FY 2005 School Operating Budget Uses of Year-End Carryover
Additional Budgeted Items

Engineering Services	\$ 250,000
Musical Instruments	\$ 100,000
Video Equipment	\$ 19,000
School Athletic Uniforms	\$ 65,000
Miscellaneous Tools	\$ 17,800
Textbooks/Workbooks for New Students	\$ 134,808
Computer Peripherals	\$ 93,168
Assorted Furniture and Equipment	\$ 350,285
Carpeting	\$ 155,000
Audio Visual Equipment	\$ 26,000
CCTV System for GES	\$ 14,660
Wireless Video Access	\$ 7,211
Governor's School Infrastructure	\$ 55,000
	<u>\$1,287,932</u>